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Summary record of the 42nd meeting
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Chairman: Ms. Wensley ..... (Australia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 10.15 a.m.

Agenda item 166: Financing of the United Nations Interim Administration Mission in Kosovo (A/54/494 and Corr.1 and A/54/622)

1. **Mr. Halbwachs** (Controller), introducing the report of the Secretary-General on the financing of the United Nations Interim Administration Mission in Kosovo (UNMIK)(A/54/494 and Corr.1), recalled that the Secretary-General had been authorized in General Assembly resolution 53/241 to enter into commitments in an amount not exceeding $200 million to meet the most immediate requirements for carrying out the initial phase of the implementation plan of UNMIK pending submission of a comprehensive report on the financing of the Mission. An assessment of $125 million had been approved, of which $50.1 million remained unpaid. The report before the Committee contained the proposed budget for the period from inception of the Mission on 10 June 1999 to 30 June 2000 at a strength of 38 military liaison officers, 4,718 civilian police, 1,269 international staff, 3,566 local staff, 18 National Officers and 203 United Nations Volunteers, which amounted to $456,451,200 gross. He drew attention to the table on page 8 of the report, which showed the distribution of posts among the Mission's four budgeted components, namely, the Office of the Special Representative of the Secretary-General, the Office of the Deputy Special Representative of the Secretary-General for Civil Administration, the Office of the Deputy Special Representative of the Secretary-General for Humanitarian Affairs, and the Division of Administration. Information regarding the functions of those four components and of the posts requested was contained in paragraphs 26 to 122 of the report. Justification for the amount proposed was provided in the annexes.

2. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of ACABQ (A/54/622), said that the proposed budget of $456.4 million gross had been arrived at after the deduction of a sum of $99.7 million to take account of the Mission's gradual establishment.

3. The Advisory Committee had had limited time to prepare its report, and a number of questions remained to be answered. In particular, it was not clear how the Mission's four main components or "pillars" would interact. Only time would tell how effective the elaborate coordination machinery envisaged would actually be. The work of the Organization's partners would necessarily affect the progress of the implementation of the UNMIK mandate. The Advisory Committee therefore trusted that all the parties concerned, and in particular those in charge of pillars III and IV, would strive to establish adequate capacity in Kosovo so as to facilitate speedy progress in the rehabilitation of the province.

4. It was also unclear whether the entire amount proposed would be required. The Advisory Committee had been informed that, as at 30 September, the average incumbency rate for all categories of personnel was less than 40 per cent, although the United Nations had performed b .ter than the other partners in that regard, an achievement that deserved to be highlighted. The Advisory Committee considered that the proposed staffing and grade structure of UNMIK was significantly inflated. It had therefore made recommendations for a number of post reductions and the reclassification of other posts, which were contained in annex VI B to its report. Annex VI C showed the Mission's organizational chart as revised by ACABQ.

5. The Advisory Committee recommended that the General Assembly should appropriate the amount of $427,061,800 gross for the establishment and maintenance of UNMIK, inclusive of the commitment authority of $200 million already authorized by the Assembly, representing a reduction of $28.8 million, or approximately 6 per cent, compared with the estimates proposed by the Secretary-General. Annex VI A contained a breakdown of the reductions recommended. The Advisory Committee was of the view that its recommendations should not prevent the Secretary-General from proposing, on the basis of actual experience in the Mission, further adjustments in the staffing structure of and resource estimates for UNMIK in future budget submissions. It requested that the reductions, if accepted by the General Assembly, should be implemented in such a way as not to hamper the ability of the Mission to implement its mandate, especially with regard to language assistants.

6. The cash-flow situation was not encouraging. Indeed, unless the collection of contributions improved, the Mission would face a very debilitating

cash-flow problem that might damage its ability to fulfil its mandate.

7. **Ms. Sun Minqin** (China) said that her delegation found the report of the Secretary-General to be poorly written and lacking in essential information. Moreover, the Secretariat did not appear to have taken account of the need for economy and streamlining in preparing the proposed budget. As the Advisory Committee pointed out in its report, the staffing and grade structure of UNMIK was significantly inflated. For example, almost all the offices comprising the Office of the Special Representative of the Secretary-General were headed by officials at the D-2 level. Her delegation was convinced that their functions could be performed by less senior staff. She asked the Secretariat to provide an organizational chart for the United Nations Mission in Bosnia and Herzegovina (UNMIBH) with the same content and format as the chart contained in annex III to the Secretary-General's report in order to facilitate comparison between the two Missions.

8. Expenditures for UNMIK for the period from inception to 31 August 1999 amounted to $37,011,500, representing average monthly expenditure of approximately $12 million. Her delegation therefore wished to know why the proposed budget for the period from 10 June 1999 to 30 June 2000 of $456.4 million gross assumed average monthly expenditure of around $35 million, almost three times as much.

9. Her delegation considered that the ratios of civilian police to international staff and local staff, respectively, were somewhat high and would like the Secretariat to inform it in writing how those ratios compared with the figures for UNMIBH.

10. While her delegation fully supported gender mainstreaming, it saw no need for a separate Office of Gender Affairs within the Office of the Special Representative of the Secretary-General. The elimination of the Office would produce annual savings of more than $8 million. Noting the existence of an Office of the Spokesman and Public Information within the Office of the Special Representative of the Secretary-General, she asked which entity was responsible for public information in other peacekeeping operations.

11. She reiterated the need for economy in order to ensure that every dollar spent was for a worthwhile purpose.

12. **Mr. Chandra** (India) said that his delegation had taken note of the comments of ACABQ in paragraph 20 of its report on the proposed staffing and grade structure of UNMIK and its hope that the Secretary-General would propose further adjustments in the staffing structure of and resource estimates for the Mission based on actual experience. He requested clarification from the Secretariat regarding the relationship between the functions budgeted for under the UNMIK budget, those performed under the Kosovo budget and those under the aegis of OSCE and the European Union in the regions and municipalities.

13. **Mr. Lozinsky** (Russian Federation) said that his delegation wished to have updated information on the financial situation of UNMIK, since the data provided in paragraph 4 of the report of ACABQ dated from October. With regard to the staffing structure of the Mission, he noted with concern that, while Security Council resolution 1244 (1999) provided for the deployment in Kosovo of special police, no provision had been made for formed units in the proposed budget. He asked what progress had been made with respect to the conclusion of memoranda of understanding on the deployment of special police.

14. **Mr. Yeo** (Director, Peacekeeping Financing Division) said that the most recent information on the financial situation of UNMIK dated from 31 October and 30 November for Headquarters and the field, respectively, there being a delay of approximately one month in receiving data from the field. As at those dates, total expenditure had stood at $104.6 million. In addition, commitments totalling $140 million had been entered into. The initial assessment of $125 million had not been exhausted because the focus during the early months of the Mission had been on procurement of major items of capital equipment with long lead times, and thus some obligations had yet to be paid. It was not correct to assume on the basis of the low expenditure during the initial phase that the proposed budget was inflated.

15. As stated in paragraph 21 of the report of the Secretary-General, no budgetary provision had been made for the deployment of police as formed units. However, if that were to happen, the related requirements would be met through the redeployment of approved resources. He was confident that the Mission would have sufficient funds for that purpose. The Advisory Committee had accepted that explanation.

16. The information on UNMIBH requested by the representative of China would be provided when the Committee resumed its formal consideration of the item.

17. **Mr. Persaud** (Field Administration and Logistics Division) said that one memorandum of understanding had been concluded with a provider of a police unit for Kosovo, and that negotiations with other providers were ongoing. It was anticipated that the information requested by the representative of India would be submitted to the Advisory Committee in February 2000 and to the Fifth Committee in May 2000.

18. **Mr. Odaga-Jalomayo** (Uganda) expressed regret that the Controller was not present to respond to the questions posed by delegations. He hoped that, in future, Secretariat officials would arrange their schedules so that they were able to be present for the entire duration of meetings.

19. He agreed with the representative of China that the report of the Secretary-General was not satisfactory and that the proposed staffing structure of UNMIK appeared to be inflated. Noting that each of the Mission's pillars was headed by a Deputy Special Representative, he asked who appointed those officials in the case of pillars headed by officials from entities other than the United Nations. He requested clarification regarding the comments in paragraph 10 of the report of ACABQ on coordination among the United Nations and the other partners in Kosovo. He considered that the roles of all the parties must be defined as a matter of urgency, and he was therefore surprised that ACABQ had requested merely that the issue should be clarified in the next report on the financing of UNMIK.

20. **Ms. Sun Minqin** (China) said that her question still had not been answered clearly. For its first two months of operation, UNMIK had cost an average of $12 million per month. However, document A/54/494 indicated that expenditures for the period from inception to 31 August 1999 had amounted to more than $35 million. Logic would suggest that the cost of a peacekeeping operation should be highest in the start-up phase; however, in the case of UNMIK, the current estimates were three times the original monthly expenditure. She wanted to know why the Mission's expenditures had risen so quickly.

21. **Mr. Yeo** (Director, Peacekeeping Financing Division) said that the initial expenditures of the Mission had covered only the costs of the staff sent initially and contractual liabilities requiring immediate payment. Actual expenditures for new missions tended to increase suddenly because most of an operation's initial requirements were contractual obligations that were paid at a later stage. In July 1999 the Secretariat had issued a report explaining the basis for the request for a $200-million commitment with assessment. The object of the request for assessment had been, *inter alia*, to give the legislatures of Member States sufficient time to approve the funding for the start-up of UNMIK. The expenditures incurred to date were commensurate with the Secretariat's expectations. If outstanding assessments for the Mission continued to be delayed and new assessments were not provided, UNMIK would have great difficulty in carrying out its mandate. It was important to recognize that the monthly expenditures of peacekeeping missions did not remain flat, but followed a pattern of starting slowly, reaching a peak and then declining, because the goods and services obtained at the beginning of a mission were paid for later in the financial period. The Mission was well on target in terms of spending within the authority originally granted by the General Assembly.

22. **Mr. Choi Young-Jin** (Assistant Secretary-General for Planning and Support) said, in reply to the representative of Uganda, that the Deputy Special Representatives heading the other three pillars of the Mission's structure were appointed by the Secretary-General of the United Nations and that they reported to the Special Representative of the Secretary-General, who ensured the harmonization of the activities of all four pillars. Their work was not, however, supported by the United Nations budget, but by the budgets of their own organizations. For a huge, complex mission such as UNMIK, that arrangement had the advantage of providing for a division of labour with other international entities and reducing the financial burden on the United Nations budget.

Organization of work

23. **The Chairman** drew attention to the written replies provided by the Office of Internal Oversight Services (OIOS) to the statement made by the representative of Pakistan on 9 November 1999 at the 31st meeting of the Committee. The Office had informed the Secretary of the Fifth Committee that all other questions of a personal nature addressed to the outgoing Under-Secretary-General for Internal

Oversight Services must be answered by the latter; the Office had no authority to answer such questions on his behalf.

24. **Mr. Sial** (Pakistan) said that he would like to pursue the issues addressed in the written replies in informal consultations. With respect to the response concerning the recommendation contained in paragraph 29 of the annual report of OIOS (A/54/393), he noted that paragraph 6 of the opinion of the Office of Legal Affairs, which was reproduced in the written replies, coincided with Pakistan's position that the recommendation was not in conformity with the Financial Regulations and Rules of the Organization. The indication that any further questions must be addressed directly to the outgoing Under-Secretary-General ran counter to Article 97 of the Charter, which stipulated that the Secretary-General was the chief administrative officer of the Organization. The Secretary-General was therefore responsible for all programme activities of the Secretariat. Replies to queries concerning any documentation submitted to the General Assembly or its Main Committees must come from the Secretary-General or his representative.

25. **The Chairman** said that the Bureau of the Committee had drawn up a revised programme of work for the current week, which took into account the concerns expressed by delegations at the preceding meeting.

26. **Mr. Ekorong A Dong** (Cameroon) noted that the subject of some of the informal consultations scheduled had not yet been determined. In view of the difficulties faced by small delegations in preparing for the discussions being held in various forums, the Bureau should inform the Committee at least one day in advance of the subject of the informal consultations it had scheduled.

27. **Mr. Medina** (Morocco) said that he was astonished by the revised programme of work. Since 24 November, nine meetings of the Committee, representing 27 hours of work, had been eliminated from the programme. Currently, the Bureau was scheduling marathon meetings, which posed particular problems for delegations consisting of only one person. He could not agree to the convening of more than six hours of meetings a day starting from 9 December.

28. **Ms. Buerge Rodriguez** (Cuba) said she was concerned to note that some of the many reports to be introduced at forthcoming meetings, as well as the Advisory Committee's comments thereon, were not yet available. The Fifth Committee should also bear in mind that the issues it had considered the preceding week under programme planning had an impact on the items currently under consideration, and should decide which of those issues required an immediate decision and which could be postponed to the resumed session.

29. **Mr. Acakpo-Satchivi** (Secretary of the Committee) said that, of the reports of the Secretary-General to be considered at the Committee's forthcoming meetings, document A/C.5/54/38 was the only one which had not yet been issued. A comprehensive report of the Advisory Committee on a number of programme budget matters would be issued the following day.

30. **Mr. Moktefi** (Algeria) said that the problems faced by small delegations must be taken into account and that it was not very realistic to expect such delegations to attend 12 hours of meetings a day. He agreed that the Committee should eliminate from its programme of work any items that could not be completed before the end of the main part of the fifty-fourth session, and should focus on pressing items such as the proposed programme budget.

31. **Ms. Aragon** (Philippines) said she regretted that agenda item 164, Human resources management, had not been included in the programme of work for the current week.

32. **Mr. Barnwell** (Guyana) said that he shared the concerns expressed regarding the Committee's heavy workload and the problems faced by small delegations. Official documents must be issued with enough lead time to enable delegations to peruse them and take informed decisions.

33. Speaking on behalf of the Group of 77 and China, he recalled that he had twice requested information on the use of the United Nations Web site to criticize five States members of the Group of 77. Since the matter was of great concern, he looked forward to receiving a prompt written response.

34. **Mr. Sial** (Pakistan) said that the Committee had faced extraordinary difficulties at the current session owing to the large number of agenda items under consideration and to the late issuance of documentation. Moreover, the process of reaching consensus on its decisions, pursuant to General Assembly resolution 41/213, was a lengthy one. The

Committee should conclude time-sensitive items first, such as the review of the implementation of General Assembly resolution 48/218 B, which should have been completed at the fifty-third session. Other pressing matters included the proposed programme budget, UNMIK, the two International Tribunals and revisions to the Staff Regulations and Staff Rules and to the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation.

The meeting rose at 11.40 a.m.